

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT DAYTON**

In re: Tagnetics, Inc.

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* Case No. 19-30822
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* Judge Humphrey
Chapter 7

TAGNETICS' OPPOSITION TO MOTION FOR CONTEMPT (Doc. # 145)

Tagnetics, Inc. ("Tagnetics"), by and through its undersigned counsel hereby submits this Opposition to the Motion for Contempt (Doc. #145) filed by Jonathan Hager, Kenneth Kayser, and Ronald Early (collectively, the "Remaining Petitioning Creditors"). Tagnetics respectfully requests that it not be held in contempt or charged interest for the reasons set forth herein.

Tagnetics entered into what it believed was a settlement agreement with the Remaining Petitioning Creditors that included a release of not just itself, but all related individuals and entities (e.g., officers, directors, parent companies, subsidiaries, and affiliates). Tagnetics filed an appeal from this court's order enforcing the settlement (Doc. #119) related to this very issue. Tagnetics sought, but was denied, a stay pending appeal that would have been secured by an appeal bond protecting the interests of the Remaining Petitioning Creditors. Tagnetics was and is concerned that if the settlement does not include a release of Tagnetics and all related individuals, and entities including officers, directors, parent companies, subsidiaries and affiliates, the court of appeals (here, the District Court) may find that there was no meeting of the minds and reverse the courts order enforcing the settlement. By that time Tagnetics would have made at least the first installment payments and possibly the second installment payments to the Remaining Petitioning Creditors and be faced with a situation where it may not be able to recover those payments back.

For these reasons, Tagnetics respectfully requests that it not be held in contempt of court or charged interest, and it be given the opportunity for its appeal to be heard and resolved.

Respectfully submitted,

/s/ Stephen B. Stern

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CERTIFICATE OF SERVICE

I hereby certify that on December 13, 2019, a copy of the foregoing *Opposition to Motion for Contempt* was served (i) **electronically** on the date of filing through the Court's ECF System on all ECF participants registered in this case at the email address registered with the court and (ii) electronically by email on counsel for Tagnetics, Inc., Stephen Stern, Esq. (Stern@kaganstern.com), Douglas Draper, Esq. (ddraper@hellerdraper.com) and Leslie Collins, Esq. (lcollins@hellerdraper.com), and (iii) by **ordinary U.S. Mail** on December 13, 2019 addressed to:

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/s/ Robert R. Kracht

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